

# Fact Sheet **Medicaid program changes**

## *Asset limit dropped from children and family coverage group*

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### **Background:**

Government funded health coverage programs covered over 23,000 children in North Dakota on October 1, 2001. Of those children, 2,560 had health coverage from the Healthy Steps children's health insurance plan and over 21,000 were covered by Medicaid.

During the 2001 North Dakota Legislative session, legislators passed House Bill 1441 to change the way Medicaid eligibility is determined for the children and family coverage group. This change removed the asset test for that Medicaid coverage group only. In other words, children, families, and pregnant women whose savings accounts, second cars, or other assets made them ineligible for Medicaid coverage before, may now be eligible.

**NOTE:** This change only applies to the children and family coverage group. Children and adults who apply for Medicaid under another coverage group must still meet asset requirements.

### **Who is affected?**

This change will affect children, families, and pregnant women who are eligible for Medicaid coverage under the *children and family coverage group*. These individuals can now have savings accounts or other assets and still qualify, if they meet other criteria. Some children currently covered by the Healthy Steps children's health insurance plan may now be eligible for Medicaid.

### **When does this change take effect?**

The asset limit will be removed for the *children and family coverage group* beginning January 1, 2002, and unless reauthorized will end on June 30, 2003.

### **How do people know if they fit into the children and family coverage group?**

Medicaid has coverage groups for:

- Children and families (includes children, their caretakers, and pregnant women)
- Aged, blind or disabled people (includes many disabled children and adults and people age 65 or older)



County social service office staff can help people understand which coverage group is most appropriate for them. People who qualify under either Medicaid coverage group can choose the coverage group they prefer. Different requirements may apply.

- This means that a child or caretaker with a disability (e.g. SSI eligible) can select to be covered under the *children and family coverage group* (no asset limits) or can choose to be covered as a disabled person under the *aged, blind and disabled coverage group* (asset limits apply along with different income deductions and they don't have to select a primary care provider).

### **How will this affect families?**

Department officials estimate that about 900 children who were previously eligible for the Healthy Steps children's health insurance plan will now be eligible, instead, for Medicaid coverage. For these children, coverage will change to Medicaid when each child's 12-month coverage period for Healthy Steps ends – IF the family applies for Medicaid and meets the coverage program's criteria.

In addition, about 700 children and adults are expected to apply for Medicaid coverage because removing the asset limits simplifies the application process.

**OVER➔**

## ***Can families choose the health coverage program they want their children covered under?***

Most families cannot choose between Medicaid and the Healthy Steps children's health insurance plan. Federal law requires states to first determine whether uninsured children are eligible for Medicaid and to enroll them in Medicaid if they qualify and want Medicaid coverage. Those who are not eligible for Medicaid may be eligible for the state children's health insurance program, Healthy Steps.

### **EXCEPTION:**

Families with higher incomes may be required to pay part of their children's health care bills when the children are eligible for Medicaid coverage. This is called their recipient liability. These families can choose the coverage program (Medicaid or Healthy Steps), which best meets their children's needs.

Determining which health coverage program is best to meet a child's needs is complex. Healthy Steps and Medicaid have different coverage features, which are set by the state legislature and Congress.

Families should not only consider their out-of-pocket expenses, but also must evaluate their health needs. Medicaid can pay for health care services provided up to three months before an eligible child has applied for Medicaid. Healthy Steps coverage takes effect on the first day of the month after eligibility is determined.

Low-income working families who have employer-sponsored health coverage are not eligible for Healthy Steps because they have health insurance. Such a family might qualify for Medicaid, which could pay the copayments and deductibles for their employer-sponsored insurance. This can help if qualifying families have high health care costs and a traditional 80/20 cost share under their private health coverage plan.

Generally, North Dakota's Medicaid program offers the most comprehensive coverage. For example, children with Medicaid coverage have access to a wider selection of prescription medications. Medicaid also covers some orthodontic services if need exists, more extensive mental health services, and some non-traditional

services such as in-home aide and intensive in-home services for children with serious emotional or mental health needs.

Families are urged to ask questions so that they understand the differences between the health coverage programs.

## ***What is the state doing to coordinate the child health coverage programs?***

The Department of Human Services administers both Medicaid and the Healthy Steps children's health insurance plan. Families apply for Medicaid coverage through the county social service offices. They can stop in or mail in the Medicaid application.

To apply for Healthy Steps, families can obtain applications off the Internet at [www.state.nd.us/humanservices](http://www.state.nd.us/humanservices) or from community organizations including schools, health centers, public health, WIC offices, county social service offices, and other organizations. Healthy Steps applications are sent to the department's Medical Services Division, which determines eligibility for that coverage program.

The department is developing a joint application that can be used to apply for Medicaid or Healthy Steps coverage. It will be available on the Internet and in communities when completed. This will help families who apply for coverage without knowing which coverage they may qualify for.

Department and county officials are working to assure that children do not experience interruptions in health coverage or delays in obtaining coverage. A legislative interim committee is also studying child health coverage program issues.

## ***How can families get more information?***

Families are encouraged to contact their county social service office. Families can also call the Department of Human Services Medical Services Division to obtain information about the Healthy Steps children's health insurance plan at 1-800-755-2604.